

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

11 NICHIA CORPORATION,

No. C 06-0162 MMC

12 Plaintiff,

**ORDER DENYING PLAINTIFF'S
MOTION FOR FINDING OF
EXCEPTIONAL CASE AND AWARD OF
ATTORNEY'S FEES; VACATING
HEARING**

13 v.

14 SEOUL SEMICONDUCTOR CO.,LTD., et al.,

15 Defendants

/

16
17 Before the Court is plaintiff's "Motion for a Finding of Exceptional Case and an
18 Award of Attorney's Fees," filed February 21, 2008, as amended February 22, 2008 and
19 February 28, 2008. Defendants have filed opposition, to which plaintiff has replied. Having
20 read and considered the papers filed in support of and in opposition to the motion,¹ the
21 Court deems the matter suitable for decision on the parties' submissions, VACATES the
22 hearing scheduled for May 16, 2008, and rules as follows.

23 On February 7, 2008, after a three-week trial, plaintiff obtained a judgment against
24 defendants in the total amount of \$250. See 35 U.S.C. § 289 (providing remedy for
25 violation of design patent shall be "not less than \$250"). Having so prevailed, plaintiff

26
27 ¹Defendants have moved to strike paragraphs 6 and 7 of the Declaration of Daniel
28 Doxsee, offered by plaintiff in support of the instant motion. Because consideration of said
statements would not alter the Court's conclusion as set forth herein, the motion to strike is
DENIED as moot.

1 asserts, it should be awarded attorney's fees in the amount of \$2,474,729.²

2 A court has discretion to award fees to a prevailing party in a patent case, if the case
 3 is "exceptional." See Modine Mfg. Co. v. Allen Group, Inc., 917 F. 2d 538, 543 (Fed. Cir.
 4 1990) (citing 35 U.S.C. § 285). Here, as plaintiff points out, the jury made a finding of willful
 5 infringement, and the Federal Circuit has acknowledged that such a finding constitutes a
 6 "sufficient" basis to classify a case as "exceptional." See id. Assuming, arguendo, the
 7 instant case is properly classified as "exceptional" based on the jury's finding of willful
 8 infringement,³ the Court finds an award of fees, under the circumstances presented, would
 9 not be appropriate. See id. (holding "even an exceptional case does not require in all
 10 circumstances the award of attorney's fees").

11 The instant action was filed in January 2006. At the inception thereof, plaintiff was
 12 pursuing a claim for inducement of infringement that, according to plaintiff, could have
 13 resulted in an award of damages in excess of \$4,000,000. After the close of discovery, the
 14 Court ruled on the parties' respective motions for summary judgment, and, in so ruling,
 15 determined plaintiff lacked evidence to prove its inducement claim, thereby limiting
 16 plaintiff's potential recovery to damages attributable to plaintiff's claim for direct
 17 infringement; that claim, premised on defendants' having made two small sales of the
 18 accused products in the United States in 2005, resulted in actual damages in the amount of
 19 \$62. Although in some instances, a claim for relief based on a small monetary loss may be
 20 incidental to a more significant claim for injunctive relief, such was not the case herein.
 21 Rather, due to a combination of factors pertaining before the action was filed, defendants

22
 23 ²As defendants observe, plaintiff fails to state, either in its motion or its reply, the
 24 exact amount it seeks to be awarded as fees. The figure set forth above is the total of the
 25 sums identified by plaintiff on pages 13 and 14 of its moving papers. Such figure also
 26 corresponds to an exhibit offered by plaintiff that appears to be a summary of its claimed
 27 fees. (See Hansen Decl. Ex. S, first unnumbered page.)

28 ³Plaintiff's argument that the case should be classified as "exceptional" on the basis
 29 of defendants' alleged litigation "misconduct" is unpersuasive. Although plaintiff has
 30 identified a few isolated violations of discovery obligations, there is no evidence that any
 31 such conduct was in bad faith or constituted part of a pattern of similar conduct. Moreover,
 32 as defendants point out, plaintiff itself engaged in violations of discovery obligations, albeit
 33 also of an isolated nature.

1 have made no sales of the accused products in the United States since the above-
 2 referenced sales in 2005, and no future sales are likely.

3 As a legal matter, a patent holder is not precluded from suing to recover for what is,
 4 in the ordinary sense of the term, a “de minimis” injury. See Embrex, Inc. v. Service
 5 Engineering Corp., 216 F. 3d 1343, 1349 (Fed. Cir. 2000) (holding “de minimis exception”
 6 to infringement is “very narrowly” construed to provide a “defense to infringement
 7 performed for amusement, to satisfy idle curiosity, or for strictly philosophical inquiry”).
 8 Nonetheless, as the California Supreme Court aptly observed more than one hundred
 9 years ago, there are some cases wherein “the amount for which [the defendants] would be
 10 liable would be such a trifling sum that it would not justify [the plaintiffs] taking up the time
 11 of the court with a suit, to say nothing of the costs to themselves.” See Moore v. Boyd, 74
 12 Cal. 167, 174-75 (1889).⁴

13 Here, plaintiff’s decision, as defendants describe it, to “employ[] a sledgehammer to
 14 kill a gnat,” (see Defs.’ Opp. at 23:28), imposed a significant burden on the jurors’ time and
 15 the court’s resources, not to mention the burden on defendants, who expended
 16 approximately \$2,000,000 in fees and costs after obtaining a dismissal of the only claim of
 17 real substance. Although plaintiff asserts it needed to demonstrate “there is a cost to
 18 infringing [plaintiff’s] patents,” (see Pl.’s Mot. at 12:23-25), and that plaintiff had to respond
 19 to defendants’ “attempt to take [plaintiff’s] market share in the side view LED market,” (see
 20 Pl.’s Mot. at 19:21-23), such concerns, while perhaps pertinent to plaintiff’s now-dismissed
 21 claim for inducement, are insufficient to explain why the continued prosecution of the
 22 remaining claim was a reasonable choice under the circumstances presented.

23 Further, to the extent plaintiff, in seeking a jury verdict on a \$250 claim, may have
 24 been attempting to obtain some unstated ancillary advantage over defendants in Asia,⁵

25
 26 ⁴In Moore, the plaintiffs sought to recover from defendants the sum of \$1.40, an
 27 amount that in today’s dollars would appear to equal approximately \$32, see
www.westegg.com/inflation, i.e., half of the \$62 loss at issue herein.

28 ⁵The Court notes the parties have a lengthy and on-going history of legal disputes in
 Korea and Japan.

1 plaintiff fails to explain why its use of the United States federal court system for a purpose
2 having nothing of real substance to do with the United States is justified, let alone that such
3 endeavor should be underwritten by the defendants.

4 Accordingly, the motion is hereby DENIED.

5 **IT IS SO ORDERED.**

6
7 Dated: May 14, 2008
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28


MAXINE M. CHESNEY
United States District Judge